

NSC BRIEFING

27 October 1954

SOVIET-YUGOSLAV RELATIONS

- I. Sudden increase in Soviet efforts improve Yugo relations. Effort, itself, dates from Stalin's death, but heretofore casual:
 - A. June '53, ambassador appointed.
 - B. After that, some Satellites followed suit, also made small trade deals.
 - C. Border incidents down.
 - D. Orbit anti-Yugo propaganda down.
- II. In last weeks, Moscow's approach to Yugo both surprising, new:
 - A. Started (mid-September) use selected quotes from Yugo press, leaders: careful give ^{APPEARANCE} Yugo support Soviet policy.
 - B. Anti-Tito clandestine radio off air (29 Sep); jamming Yugo broadcasts to Orbit stopped; anti-Tito books off shelves in Poland.

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- C. Last week (10th anniv. liberation Belgrade), USSR cheered Yugo partisans-first time since '48 break.
- D. \$5 million deal between Moscow and Belgrade trade agencies signed 1 October. Yugo also agreed to talks on more formal trade deal (Orbit trade now 5% Yugo total - could exceed 25%, prewar figure).
- E. Soviet "cognizance" Trieste settlement partly reflection desire improve Yugo relations.

III. Yugos not rejecting these moves:

position--always willing normalize on basis equality.

- A. Plan exchange Soviet, Yugo movies-- would be first cultural/propaganda interchange in six years.
- B. Also okayed Soviet commercial overflights to Albania.

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IV. Tito, other Yugo leaders on record that cooperation with West no bar to improved relations with East. Hold view that "equilibrium...had been created" wherein "East-West conferences" possibly fruitful.

- A. Tito (16 October) stated will not "go back to Moscow."
- B. Yugos will continue cooperation with West for defense.
- C. Yugos approve European unification, even German rearmament. But simultaneously believe in negotiations with USSR, characterize Soviet policy of relaxing tension in Europe as "permanent."
- D. Yugos take stand that, as socialist state, cannot join any organization (such as NATO) which primarily anti-Communist.

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V. Tone of Yugo propaganda on USSR continues ameliorate:

- A. 10th anniv. speeches still gave most credit to Yugo forces, mentioned Soviet-Yugo "quarrels and disagreements."
- B. Had ceremony at Soviet-Yugo soldier's cemetery, but was "pretty dismal."

VI. Soviet shift attributed to reevaluation policy toward Yugos, attempt block further Yugo shift West.

- A. "Normalization" efforts of last year gained little--new moves needed counterbalance such West gains as Balkan alliance, Trieste settlement.
- B. Gestures fit conciliatory pattern Soviet European policy, but also Kremlin may think especially productive for Communist Yugo; as test "deviationist" regime's responses; as preparation future offers; as easy means inflaming Western suspicions Yugo.

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- C. Moscow may plan eventually offer Tito some real bait for shift to East, but no signs yet.
- D. First will continue improve atmosphere.

VII. Yugo self-interest appears bar return to East.

- A. Tito now has virtual Western guarantee national security, plus military, economic aid, at no cost to independence, internal autonomy (Soviet control attempts were major cause '48 break).
- B. Yugos see recent moves (getting out of joint companies, Port Arthur agreement) as Soviet recognition necessity less interference internal affairs other states.
- C. However, Tito and leaders still distrustful enough to discount any Soviet

D. Yugos nonetheless may believe
that improved relations with Bloc
give leverage in bargaining with
West.